



ORIGINAL

Federal Communications Commission  
Washington, D.C. 20554

SEP 9 1998

Division  
98-04924  
CC DKT 96-45

RECEIVED

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OCT - 6 1998

Mr. Elman Schwarz, Jr.  
940 Bluesage Drive  
San Marco, CA 92069

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Dear Mr. Schwarz:

Thank you for your letter to President Clinton regarding a line item that has been added by your carrier to your telephone bill to recover its contributions to the universal service support mechanisms. The White House has asked me to respond to your inquiry.

On May 7, 1997, the Commission adopted an Order to implement the Federal-State Joint Board's recommendations on universal service as required by the Telecommunications Act of 1996 (1996 Act). The Commission established universal service support mechanisms that fulfill Congress's goal, as stated in Section 254 of the 1996 Act, of ensuring that affordable, quality telecommunications services are available to all American consumers, including low income consumers and those located in high cost, rural, and insular areas. Universal service support for carriers serving high cost areas and for low income consumers has been provided for decades. In the 1996 Act, Congress expanded universal service goals to ensure the nation's classrooms and libraries receive access to the vast array of educational resources that are accessible through the telecommunications network. These support systems also will link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access, through the telecommunications network, to the same advanced diagnostic and other medical services that are enjoyed in urban communities.

In the 1996 Act, Congress required all telecommunications carriers that provide interstate telecommunications services to contribute on an equitable and nondiscriminatory basis to universal service. The Commission implemented this statutory provision by requiring all such telecommunications carriers to contribute to the universal service support mechanisms. Neither Congress, nor the Commission, requires such carriers to pass this contribution on to their customers. To the contrary, carriers decide how and to what extent they recover their contributions. Carriers, however, may not mislead customers as to how they recover contributions and may only recover an equitable share from any particular customer.

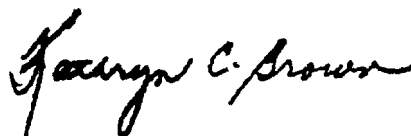
The Commission is monitoring the universal service support mechanisms and their impact on telephone ratepayers. This issue will be carefully reviewed as the support mechanisms are administered.

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List A B C D E

Mr. Elman Schwarz, Jr.

Your letter has been placed in the official public record of the universal service proceeding (CC Docket No. 96-45). I appreciate your interest and views on these important issues.

Sincerely,

A handwritten signature in cursive script, reading "Kathryn C. Brown".

Kathryn C. Brown  
Chief  
Common Carrier Bureau

THE WHITE HOUSE  
WASHINGTON

6-19-58  
DATE

CCB  
96-45-b  
4841  
4924

MEMORANDUM FOR:

FCC 48

FROM:

SUE J. SMITH SJS  
DIRECTOR, OFFICE OF AGENCY LIAISON

SUBJECT:

REFERRAL OF WHITE HOUSE BULK MAIL

Thank you for your continued hard work in ensuring responses to the Presidential letters and inquiries forwarded to your agency. The volume of mail that the President and Mrs. Clinton receive still remains unprecedented.

Please return any misreferrals to me at the following address:

Ms. Sue J. Smith  
Director, Office of Agency Liaison  
Room 6, OEOB  
The White House  
Washington, D.C. 20500

If you have any questions, please do not hesitate to call me at 202/456-7486.

Thank you very much.

ELMAN SCHWARZ

(Orville E. Schwarz Jr.)

PRESIDENT BILL CLINTON

DEMOCRAT - WHITE HOUSE  
DEAR PRES. CLINTON

YOUR ATTENTION IS INVITED  
TO ENCLOSED ARTICLE

QUESTION

1) WHY DOES THE GOVT TELL ME  
I HAVE TO "HELP PAY" FOR LOW COST  
HOME SERVICES FOR SCHOOLS, LIPRANIE  
& RURAL HEALTH CARE FACILITIES  
WHEN THE GOVT MANDATED THESE  
SERVICES

2) WHY DOES THE GOVT ALLOW AT&T  
TO CHARGE ITS CUSTOMERS TO PAY  
FOR AT&T'S "SHARE" OF THESE  
MANDATED CHARGES WHY ISN'T IT  
DOESN'T IT COME OUT OF AT&T PROFITS —  
NOT ME AGAIN. — YES. — I DO OWN A  
FEW SHARES OF AT&T  
SINCERELY

SCHWARZ - 5/28/98

940 Bluesage Drive • San Marcos, CA 92069 • (619) 727-0744

P.S. ALL I REALLY WANT OUT OF WASHINGTON  
IS A TAX CUT